



ADMINISTRATION

OFFICE OF THE DEPUTY CHIEF MANAGEMENT OFFICER  
9010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-9010

NOV 19 2014

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT  
GENERAL SERVICES ADMINISTRATION

SUBJECT: Committee Charter and Membership Balance Plan Consultation – *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries* (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, as amended and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectfully requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). Both documents has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O'Reilly, at 703-692-5949.

James D. Freeman II  
Advisory Committee Management  
Officer for the Department of Defense

Attachments  
Proposed Charter  
Proposed Membership Balance Plan

Charter  
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

1. Committee's Official Designation: The committee will be known as the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Authority: The Secretary of Defense, in accordance with 10 U.S.C. § 1114, the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Board.
3. Objectives and Scope of Activities: The Board provides independent advice and recommendations related to actuarial matters associated with the DoD Medicare-Eligible Retiree Health Care Fund ("the Fund") and other related matters described in paragraphs four and five below.
4. Description of Duties: The Board, under the authority of 10 U.S.C. § 1114, will provide independent advice and recommendations related to actuarial matters associated with the Fund and on matters referred by the Secretary of Defense, including those regarding:
  - a. Valuations of the Fund under 10 U.S.C. § 1115(c);
  - b. Recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis; and
  - c. Advising the Secretary of Defense on all actuarial matters necessary to make determinations in order to finance liabilities of the Fund on an actuarially sound basis.
5. Agency or Official to Whom the Committee Reports: The Board reports to the Secretary of Defense annually on the actuarial status of the Fund and shall furnish its advice and opinion on matters referred to it by the Secretary. The Board shall periodically, but not less than once every four years, report to the President and the Congress on the status of the Fund and will include recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis.

The Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), may act upon the Board's advice and recommendations.
6. Support: The DoD, through the Office of the USD(P&R), provides support, as deemed necessary, for the Board's performance and functions, and ensures compliance with the requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as amended) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies and procedures.
7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$80,000.00. The estimated annual personnel costs to the DoD are 0.4 full-time equivalents.
8. Designated Federal Officer: The Board's Designated Federal Officer (DFO) must be a full-time or permanent part-time DoD employee, appointed in accordance with established DoD policies and procedures.



Charter  
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

The Board's DFO is required to attend all meetings of the Board and its subcommittees for the entire duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO, duly appointed to the Board according to established DoD policies and procedures, must attend the entire duration of all meetings of the Board and its subcommittees.

The DFO, or the Alternate DFO, calls all meetings of the Board and its subcommittees; prepares and approves all meeting agendas; adjourns any meeting when the DFO, or the Alternate DFO, determines adjournment to be in the public interest or required by governing regulations or DoD policies and procedures; and chairs meetings when directed to do so by the official to whom the Board reports.

9. Estimated Number and Frequency of Meetings: The Board meets at the call of the Board's DFO in consultation with the Board's chair. The estimated number of Board meetings is one per year.
10. Duration: The need for this advisory function is on a continuing basis; however, this charter is subject to renewal every two years.
11. Termination: The Board terminates upon repeal of 10 U.S.C. § 1114.
12. Membership and Designation: The members are selected from among qualified professional actuaries who are members of the Society of Actuaries. The Board members will serve for a term of 15 years with annual renewals; except those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed and serve only until the end of such term. Board members may serve after the end of the term until a successor has taken the oath of office. The Secretary of Defense or the Deputy Secretary of Defense appoints the Board members. The Board's chair will be designated by the USD(P&R), on behalf of the Secretary of Defense.

Board members who are not full-time or permanent part-time Federal employees, will be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members and will, under the authority of 10 U.S.C. § 1114(a)(3), serve with compensation, to include travel and per diem for official travel, in accordance with 5 U.S.C. § 5703. Board members who are full-time or permanent part-time Federal officers or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

A member of the Board may be removed by the Secretary of Defense for misconduct or failure to perform functions vested in the Board and for no other reason.

13. Subcommittees: The DoD, when necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the Board's DoD Sponsor.

Charter  
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

Such subcommittees will not work independently of the Board, and will report all of their recommendations and advice solely to the Board for full and open deliberation and discussion. Subcommittees, task forces, or working groups have no authority to make decisions and recommendations, verbally or in writing, on behalf of the Board. No subcommittee or any of its members can update or report, verbally or in writing, on behalf of the Board, directly to the DoD or any Federal officers or employees.

All subcommittee members must be appointed by the Secretary of Defense or the Deputy Secretary of Defense to a term of service of one-to-four years, with annual renewals, even if the individual in question is already a member of the Board, and no subcommittee member will serve more than two consecutive terms of service, unless authorized by the Secretary of Defense or the Deputy Secretary of Defense. Subcommittee members who are not full-time or permanent part-time Federal employees will be appointed as experts or consultants pursuant to 5 U.S.C. § 3109, to serve as SGE members. Subcommittee members who are full-time or permanent part-time Federal employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a), to serve as a RGE member. With the exception of reimbursement of official travel and per diem related to the Board or its subcommittees, subcommittee members will serve without compensation.

All subcommittees operate under the provisions of FACA, the Sunshine Act, governing Federal statutes and regulations, and established DoD policies and procedures.

14. Recordkeeping: The records of the Board and its subcommittees shall be handled according to Section 2, General Records Schedule 26 and governing DoD policies and procedures. These records will be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).

15. Filing Date:



Membership Balance Plan  
Department of Defense Medicare-Eligible-Retiree Health Care Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, in accordance with the provisions of 10 U.S.C. § 1114, the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Mission/Function: The Board provides the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations related to actuarial matters associated with the Department of Defense Medicare-Eligible Retiree Health Care Fund ("the Fund") and on matters referred by the Secretary of Defense, including those regarding:
  - a. Valuations of the Fund under 10 U.S.C. § 1115(c);
  - b. Recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis; and
  - c. Advising the Secretary of Defense on all actuarial matters necessary to make determinations in order to finance liabilities of the Fund on an actuarially sound basis.
3. Points of View: The Board will be composed of three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries.

Board members appointed by the Secretary of Defense or the Deputy Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Board members appointed by the Secretary of Defense or Deputy Secretary of Defense, who are full-time or permanent part-time Federal employees, are appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing the complex issues facing the Department through a multidiscipline advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues on which to base subsequent policy decisions.

The Board's membership balance is not static and the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R). In addition, the Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

4. Other Balance Factors: NA

Membership Balance Plan  
Department of Defense Medicare-Eligible-Retiree Health Care Board of Actuaries

5. Candidate Identification Process: DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals with extensive backgrounds related to actuarial matters associated with retiree health care and who are members of the Society of Actuaries.

Potential candidates are identified by the DoD Office of the Actuary (OACT), which contains all of the Department's actuarial expertise. OACT consults with various actuarial bodies, including the American Academy of Actuaries, and with the Board members themselves. Once potential candidates are identified, the Designated Federal Officer in consultation with OACT reviews the credentials of each individual and narrows the list of potential candidates. During this review, he or she strives to achieve a balance between the educational and professional credentials of the individuals and the anticipated subject matters to be reviewed by the Board to achieve expertise in points of view represented and functions to be performed.

After the list of candidates has been narrowed, it is forwarded to the USD(P&R) for review and formal nomination to the Secretary of Defense or the Deputy Secretary of Defense. Prior to nominating the potential candidates, the list of candidates will undergo a review by the Offices of the General Counsel for the Department of Defense and the Advisory Committee Management Officer to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the USD(P&R) formally nominates the potential candidates to the Secretary of Defense or the Deputy Secretary of Defense for approval. Pursuant to DoD policy, only the Secretary or the Deputy Secretary of Defense can invite or approve the appointment of individuals to serve on DoD-established or supported advisory committees and subcommittees.

Following approval by the Secretary of Defense or the Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members who are appointed as SGE members.

The Secretary of Defense or the Deputy Secretary of Defense may approve the appointment of members to the Board for a 15-year term of service, to include its subcommittees, with annual renewals, except those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed will serve only until the end of such term. Board members may serve after the end of the term until a successor has taken the oath of office. No Board member may be reappointed for successive terms.

Membership vacancies for the Board will be filled in the same manner as described in the previous five paragraphs above.

6. Subcommittee Balance: The DoD, when necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board.



Membership Balance Plan  
Department of Defense Medicare-Eligible-Retiree Health Care Board of Actuaries

The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members for one-to-four year terms of service with annual renewals; however, no member, unless authorized by the Secretary, may serve more than two consecutive terms of service. Individuals considered for appointment to any subcommittee of the Board may come from the Board itself or from new nominees, as recommended by the USD(P&R) and based upon the subject matters under consideration, but they must be approved by the Secretary of Defense or the Deputy Secretary of Defense before participating in any subcommittee work.

Subcommittee members, if not full-time or permanent part-time government employees, shall be appointed as experts and consultants, pursuant to 5 U.S.C. § 3109, to serve as SGE members, whose appointments must be renewed annually. Those individuals who are full-time or permanent part-time Federal employees shall serve as RGE members, with annual renewals. No subcommittee member may serve more than two consecutive terms of service without the Secretary of Defense or the Deputy Secretary of Defense approval.

7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Committees, Boards, and Commissions (79 FR 47482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: